BASKIN ROBBINS INTERNATIONAL CO. & ANOR.

v.

AVONDAY SDN. BHD.

HIGH COURT MALAYA, KUALA LUMPUR
SHAIK DAUD ISMAIL J
[ORIGINATING SUMMONS NO. D1-22-666-91]
3 MARCH 1992

CIVIL PROCEDURE: *Interlocutory Injunction - Merely provisional in nature - Application for interim injunction - Serious issues to be tried.*

TRADEMARKS: *Passing off - Three elements must be present - Proprietary right to number - Ice-cream using mark USA 31 - Whether plaintiff entitled to use of the number for ice cream.*

The first plaintiff is a well known manufacturer of ice cream in the United States since 1945. The second plaintiff is a limited company incorporated in Malaysia and is a franchise holder of the first plaintiff. The defendant is a limited company incorporated in Malaysia and is also a well known manufacturer and seller of a different brand of ice cream.

In 1953 the first plaintiff introduced into their business a concept known as "31 flavours" to mean a different flavour of ice cream for each day of the month. Eventually this "31 flavours" developed and became the first plaintiffs trade mark and identified with their ice cream business. The second plaintiff's extensive use and promotion of the number 31 also became associated with the first plaintiff's business in Malaysia.

The plaintiffs allege that the defendant has passed off or attempted to pass off ice cream manufactured and sold by the defendant consisting of words similar to and not sufficiently different from the plaintiffs 31 trade mark.

The plaintiffs applied for a interlocutory injunction against the defendant to restrain the defendant from selling defendant's ice cream using the mark USA 31 of any other marks comprising the number 31.

Held:

[1] Although no one can claim proprietory right to a number by itself but if a particular number is distinctively associated or identifiable with a particular product or company then the company can claim protection.

[2] An application for an interlocutory injunction ought not to be treated as a preliminary trial and ought to be granted if there are serious issues to be tried.

[3] The plaintiff has succeeded in establishing that there are serious issues to be tried. The plaintiff's application for an interlocutary injunction against the defendant is allowed.

[Plaintiffs application for interlocutory injunction against the defendant granted.]

Cases referred to:

Hymac Ltd. v. Priestman Bros. Ltd. [1978] RPC 495 ***(foll)***
P.C. Products Ltd. v. Wilfred Dalton [1957] RPC 199 ***(cit)***
Rickett and Coleman Products Ltd. v. Borden Inc. & Ors. [1990] 1 WLR 491 ***(dist)***
American Cyanamid Co. v. Ethicon Ltd. [1975] AC 396 ***(foll)***
Professor Dr. A. Kahar Bador & Ors. v. N. Krishnan & Ors. [1983] 1 MLJ 407 ***(foll)***

Other source referred to:
Manual of Trade Mark Law & Practice in Malaysia, para. 1535

For the plaintiff - C. Das, (John Mathews & Bee Fong with him)
For the defendant - Ambiga Sreenevasan (S. Ong with him)

JUDGMENT

Shaik Daud Ismail J:

This is an application by the plaintiff *inter partes* for an interlocutory injunction to restrain the defendant from selling defendant's ice cream using the mark USA 31 or any other marks comprising the number 31.

The first plaintiff is a well known manufacturer and seller of ice cream and has been so in the United States of America since 1945. The second plaintiff is a limited company incorporated in Malaysia and is the franchise holder of the first plaintiff. The defendant is a limited company incorporated in Malaysia and is also a well known manufacturer and seller of a different brand of ice cream.

In 1953 the first plaintiff introduced into their business a concept known as the "31 flavours" to mean a different flavour of ice cream for each day of the month. According to the affidavit of one Cheah See Yeong the managing director of the second plaintiff this 31 flavours concept soon became a phenomena and by 1970 nearly 1000 ice cream outlets through east, west and south of the USA were established and every ice cream outlet carried this concept. This 31 flavours concept was eventually developed and expressed by the number 31 which became the first plaintiff's trade mark and identified with their ice cream business. Each of the now 3400 outlets operated or franchised by the first plaintiff throughout the world including Malaysia carry the said number 31. As a result this extensive worldwide use, the number 31 has become distinctive of the plaintiff's ice cream. Consequently the second plaintiff's extensive use and promotion in Malaysia became associated with the first plaintiff's business in this country. In addition, since the public is aware that the plaintiff's ice cream originates from the USA, their ice cream has been especially known to the Chinese consumers as USA 31 (in Chinese characters), and widely advertised as such in most leading Chinese newspapers. By reason of this the plaintiff has acquired a substantial reputation and goodwill in respect of the number 31 as the said number has become associated with the ice cream manufactured and sold by the plaintiff. The plaintiff has therefore acquired a proprietory right in the said number 31 such as to entitle them to exclusive use of it for their ice cream. To secure this proprietory right in the mark 31, the first plaintiff has since 11 July 1977 applied for registration of the said mark 31 which application has since been registered. The registration is for the mark 31 and the device of ice cream cones with a disclaimer to the number 31. Further the plaintiff have also applied for registration of their corporate name, Baskin Robins together with the trade mark 31, which application is still pending at the date of this hearing.

According to Cheah See Yeong the defendant has passed off or attempted to pass off ice cream not the ice cream of the plaintiff's but ice cream manufactured and sold by the defendant consisting of words similar to and not sufficiently different from the plaintiff's 31 trade mark. The defendant has done this by using on the packages of its ice cream the mark USA 31. It is the plaintiff's contention that the defendant has deliberately chosen and used the offending mark 31 in bad faith and for reasons solely of taking advantage of the plaintiff's reputation and goodwill. This, says Cheah, is evident from the fact that the defendant's ice cream is locally made pursuant to a Canadian company know how and has no connection whatsoever in the USA.

To show the extensive use of the mark 31 and the promotions undertaken, the plaintiff produced their brochures and advertisements. On every brochure the mark 31 is outstandingly featured. Undisputed photographs of their outlets in Subang Parade and the Mall in Kuala Lumpur show great prominence given to the 31 concept and in all their advertisements the 31 concept is distinctively identified. Thus the plaintiff's ice cream in Malaysia, just as in the USA has become indentifiable with the number 31.

The defendant started manufacturing and selling ice cream in Malaysia since 1981 and it sold its ice cream under the name of Avonday Quality Check. After the plaintiff started their business in Malaysia in 1990 using the 31 concept, the defendant out of the blue abandoned its Avonday Quality Check concept and started selling ice cream using the numeral 31 in all its get up, packaging and advertising of its ice cream. In some of its packaging (produced by the plaintiff) the defendant has prominently used the mark 31 and the name Avonday is in such small and insignificant letters that it almost got lost. Defendant's packaging in fact prominently featured the USA 31 mark, so that it tantamount to an attempt at passing off its ice cream as that of the plaintiff's. The plaintiffs contend that the defendant has not given any reasonable explanation as to why they choose to adopt the mark or numeral 31 soon after plaintiff started business in Malaysia with their 31 concept.

The defendant on the other hand contends that when one takes a numeral as one's mark one must take a risk as no one can own proprietory right to numbers and since the numeral 31 has a descriptive connotation it is freely available to any one to use.

Although no one can claim proprietory right to a number by itself but if a particular number is distinctively associated or identifiable with a particular product or company then I am of the view that the company or product can claim protection. This is so inspite of a disclaimer. In all cases where a number is also used as a mark there would be a disclaimer as this is required before registration.

In *Hymac Ltd. v. Priestman Bros. Ltd.* [1978] RPC 495, the plaintiff manufactured mechanical excavators which included excavators known simply as the "580". The designation "580" owed its origin to the capacity of the particular excavation bucket used on such machines. The defendant started manufacturing their excavators for which the number "580" were used for identification. In an action for passing off the plaintiff sought an interlocutory relief and argued that the description "580" was distinctive of their machines alone. The defendants on the other hand claimed that they were merely using a number which had a descriptive connotation and which was therefore available to anyone to use. The Court, however, held that "580" was not, obviously descriptive of any feature of the plaintiff's machine but it was part of a private numerology requiring a key for its explanation. The Court allowed the plaintiff's application for an interlocutory relief. From this it can be seen that Courts do provide protection even to a bare number if it distinctly is associated with the company. Although the number 31 may appear to be just a number as claimed by defendant but it is also part of a private numerology requiring a key for its explanation. As in the *Hymac* case *(supra)* defendant in the present case has not reasonably explained why it chose to use the number 31 only after plaintiff started business in Malaysia using the 31 concept. The feeble explanation given that it was to coincide with the merdeka day cannot to my mind be accepted as a reasonable explanation. This explanation was in fact never pursued in the submission.

As for the disclaimer one need only refer to the famous soft drink 7UP. The registration of 7UP trade mark also contained a disclaimer to the number 7 by itself. As I said earlier this is a requirement of registration. (see the *Manual of Trade Mark Law & Practice in Malaysia.*)

Under the heading Disclaimer para. 15.35 which states that the Registrar is empowered to require a proprietor to make such disclaimer.

Another case of significance involving numbers is the case of *P.C. Products Ltd. v. Wilfred Dalton* [1957] RPC 199. In that case P.C. Products Ltd., manufactured a cleaning preparation known in the trade as "One thousand and One" and sold it in bottles bearing a red white and blue label on which were prominently displayed the figures "1001". Dalton a former employee of P.C. Products Ltd., put on the market another cleaning preparation in bottles of identical or similar to those of P.C. Products Ltd. and also prominently displayed the figure "1001". The Court granted an interim relief against Dalton to prohibit him from passing off as and for P.C. Products Ltd. Thereupon Dalton marketed his preparation in bottles with green or yellow lables but still bearing the figures "1001". On the presentation of a second petition to interdict him from using the figures "1001" Dalton marketed his preparation with labels bearing the words "One Thousand and One". The Court however interdicted him and prohibited him from selling his preparation in any container bearing a label displaying the figures "1001".

From these two cases at least it can be seen that numbers can acquire a proprietory right provided they can be associated distinctively with a particular product or company.

The defendant contends that the law in passing-off cases is very stringent and cites *Rickett and Coleman Products Ltd. v. Borden Inc. & Ors.* [1990] 1 WLR 491, a House of Lords case where it was held that in passing off cases there are three elements which the plaintiff in such an action has to prove in order to succeed. The first is that he must establish goodwill and reputation attached to the goods or services. Secondly he must demonstrate a misrepresentation by the defendant to the public (whether intentional or not that will likely lead the public to believe the goods or services offered by him are the goods or services of the plaintiff. Thirdly he must show that he suffered or is likely to suffer damages by reason of the erroneous belief.

While it is not denied that these three elements need be proved in passing off cases but the question is when need they be proved. What the Court ought to consider in a passing off case at the interim injunction stage is, what should the plaintiff establish. All the three elements mentioned above need only be proved at the trial proper and not at this interim stage. The plaintiff's duty at this interim stage is merely to show that there is an arguable case on the three elements. When a Court, considering an application for an interim injunction it would I think be salutory for the Court not to forget what was said by Lord Diplock in his speech in the famous and often quoted *American Cyanamid Co. v. Ethicon Ltd.* [1975] AC 396 where at p. 407 he said:

> It is no part of the Court's function at this stage of the litigation to try to resolve conflicts of evidence on affidavit as to facts on which the claims of either party may ultimately depend nor to decide difficult questions of law which called for detailed arguments and mature considerations. Those are matters to be dealt with at the trial.

Therefore, whether the plaintiff had goodwill or reputation, whether the defendant misrepresented the purchasing public or whether the plaintiff suffered damages are all matters to be proved and considered at the trial proper and not at this interim stage. An application for an interim injunction ought not therefore to be treated as a preliminary trial. As long as a plaintiff succeeds in establishing that there are serious or arguable issues then they are entitled to an interim injunction. In *Professor Dr. A. Kahar Bador & Ors. v. N. Krishnan & Ors.*[1983] l MLJ 407, Hashim Yeop A. Sani J (as he then was) at p. 409 says:

> An interlocutory injunction is merely provisional in its nature, and does not conclude a right. It is said that a person who comes to the Court for an interlocutory injunction is not required to make out a case which will entitle him at all events to the relief at the hearing. It is enough if he can show that he has a fair question to raise as to the existence of the right which he alleges.

Therefore all these question of goodwill, reputation, damages etc., are arguable matters. This is pretty evident by the very lengthy arguments before me on the issues even at this interim stages.

In any application for an interlocutory injunction the very first issue which the Court ought to consider is whether there are serious issues to be tried. In the words of Lord Diplock in *American Cyanamid* case *(supra)*:

> the Court no doubt must be satisfied that the claim is not frivolous or vexatious.

On the totality of the evidence before me both in the various affidavits and in the oral submissions accompanied by some samples of the advertisements, and packages I am satisfied that the claim by the plaintiff is not frivolous or vexatious. The plaintiff has succeeded in establishing that there are serious issues to be tried. There are no decided cases in this country on the issue whether proprietory rights can be claimed on numerals. This by itself is the predominent issue to be tried, and on this issue alone an interim injunction ought to be given.

The second criteria for the Court to consider is whether damages would be an adequate remedy. On the evidence before me I am of the view that if the plaintiff succeeds at the trial without this injunction, it would not be possible to assess the amount of damages they would have suffered as it would not be possible to account the number of customers that they had thereby been deprived of. I do not consider therefore that in the circumstances of this case damages would be an adequate remedy. On the other hand the injunction has not virtually put an end to the defendant's ice cream business. They can still market their ice cream as usual in the same manner and same strength as when they did before they decided to adopt the impugned 31 mark. In this respect so far as I can see the balance of convenience lies in allowing the injunction as it would not do greater harm to the defendant. In fact it will not do any harm at all. The only loss, as I can see it is the loss of promotional materials.

Learned Counsel for the defendant has also raised the issue of *status quo*, saying that if any *status quo* is to be preserved it is the continuation of both businesses until the trial proper. In the circumstances of this case I cannot agree with this. It was the act of the defendant in commencing to use the plaintiff's concept which constituted the cause for this application, and that since the plaintiff had in fact moved promptly, the true *status quo* to be preserved was that which existed before the defendant began their business in that way.

For these reasons I allow the plaintiff's application for an interlocutory injunction against the defendant.

Also found at [1992] 2 CLJ 1198